

KNOX COUNTY COMMISSION KNOX COUNTY BUDGET COMMITTEE

Joint Budget Committee Meeting

Knox County Commission and Budget Committee

Thursday – October 18, 2018 – 5:00 P.M.

A Joint Meeting of the Knox County Commission and the Knox County Budget Committee was held on Thursday, October 18, 2018, at 5:00 P.M., at the county courthouse, 62 Union Street, Rockland, Maine. The Administrative Assistant was present to record the minutes of the meeting.

Commission members present were: Commissioner Carol L. Maines, District #1, Commissioner Richard L. Parent, District #2 and Commissioner Sharyn L. Pohlman, District #3.

County staff present included: County Administrator Andrew Hart, Administrative Assistant Wendy Galvin, Finance Director Kathy Robinson, Chief Deputy Tim Carroll, Director of Probate Elaine Hallett and Airport Manager Jeff Northgraves Systems Administrator Mike Dean and Judge of Probate Carol Emery.

Budget Committee members present were: Lawrence Nash (*left at 6:05 P.M.*), Chair Bob Duke, Nicholas Lapham, Gerald Zwick, Shawn Levasseur, Gayle Gallant, Roger Peabody and Thomas Marshall, Jr. (*arrived 5:27 P.M.*) (*Budget Committee members not present: Randy Stearns.*)

Others in Attendance: Ira Mandel, Director of Midcoast Recovery Coalition, Steve Carroll, Rockland and Dorothy Meriwether, Spruce Head.

Joint Commission & Budget Committee Public Hearing

Commission Hearing Room

Thursday – October 18, 2018 – 5:00 P.M.

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|-------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| I. | 5:00 | Meeting called to order (Chair Bob Duke for the Knox County Budget Committee, Commission Chair Maines for the Knox County Commission) | |
| II. | 5:01 | Approve Minutes (Chair Bob Duke for the Knox County Budget Committee, Commission Chair Carol Maines for the Knox County Commission) | |
| | | 1. Minutes of the Joint Budget Committee Meeting of July 26, 2018 | |
| III. | 5:03 | Election of Budget Committee Officers | |
| | | 1. Chair | |
| | | 2. Vice Chair | |
| | | 3. Secretary | |
| IV. | 5:08 | Public Hearing | |
| | | 1. Budget Committee Chair Opens Public Hearing on 2019 Proposed Knox County Budget | |
| | | 2. Budget Committee Chair Closes Public Hearing | |
| V. | 5:10 | Joint Meeting with the Knox County Budget Committee and Knox County Commission for the Presentation of the Proposed 2019 Budget (County Administrator Andrew Hart) | |
| VI. | 5:30 | Budget Review | |
| | | 1. Registry of Deeds | (Pg. 12) |
| | | 2. Probate | (Pg. 19) |
| | | 3. County Administration & IT | (Pgs. 8 – 9) |
| | | 4. Debt Service | (Pg. 27) |
| | | 5. Finance | (Pg. 16) |
| VII. | | Adjourn | |

I. Meeting Called to Order

The October 18, 2018 joint meeting of the Knox County Budget Committee and the Knox County Commission was called to order by Budget Committee Chair Bob Duke and Commissioner Chair Carol L. Maines at 5:01P.M.

II. Approve Minutes

1. Minutes of the Joint Commission & Budget Committee Meeting of July 26, 2018

- *Gayle Gallant made a motion to approve the Minutes of the Joint Commission and Budget Committee Meeting of July 26, 2018. Nick Lapham seconded the motion. A vote was taken with all in favor.*
- *Commissioner Parent made motion to approve the Minutes of the Joint Commission and Budget Committee Meeting of July 26, 2018. Commissioner Pohlman seconded the motion. A vote was taken with all in favor.*

III. Election of Budget Committee Officers:

1. Chair

- *Nick Lapham made a motion to appoint Bob Duke as the Chair. Gerald Zwick seconded the motion. A vote was taken with all in favor.*

2. Vice Chair

- *Nick Lapham made a motion to appoint Shawn Levasseur as the Vice Chair. Lawrence Nash seconded the motion. A vote was taken with all in favor.*

3. Secretary

- *Gerald Zwick made a motion to appoint Nick Lapham as the Secretary. Lawrence Nash seconded the motion. A vote was taken with all in favor.*

IV. Public Hearing:

1. Budget Committee Chair Opens Public Hearing on 2019 Proposed Knox County Budget

- Rockland resident Steve Carroll spoke:
 - 1) Front door is locked after 4:00 P.M. and is concerned the general public does not know where the meeting is being held. Need to make sure there is notification of where the meeting is being held. The meetings used to be held upstairs, in the room just past the main entrance, and they are now in the Commission Hearing Room in the back of the Courthouse.
 - 2) Talked about the Knox County Budget and local School Budget, and how it generally is an increase each year. It is frustrating for the taxpayer to endure this increase each year.

V. A presentation for the Joint Commission and Budget Committee of the Proposed 2019 Budget (County Administrator Andrew Hart):

- The budget process started in August, with assistance from Finance Director Robinson. Both Administrator Hart and Finance Director Robinson meet with each Department Manager regarding their departmental budget. On September 17th, 18th, & 19th, a meeting was held with each of the Department Managers to review each department's potential budget.
- A meeting was held with Commissioners, Department Managers, Administrator Hart and Finance Director Robinson near the end of September to go over the potential budgets for each department.
- October 18th is our first Budget Meeting with both Commissioners and Budget Committee Members.
- Wage increase is primarily due to there are 120 employees, and the CPI for this year is 2.9%, employees are also eligible for a 2% step increase. Potential for a 4.9% increase over last year.
- On September 13th we received a SHAPE certificate which gives us a 3% credit towards Workers Compensation.
- Health Insurance is currently being calculated with a 10% increase. This number will adjust in mid-November once final numbers are given.
- Workers Compensation is currently being calculated with a 10% increase. This number will also adjust in mid-November once final numbers are given. There is a Leader Program that is done by

Maine Municipal though the Worker Comp program. We are evaluated on what we have for policies, our facilities and a few other components. Knox County was the only County in the State of Maine that received 100%. This will go towards our Workers Compensation premium.

- Our MOD dropped .20% we experienced a lot less amount of losses this year.
- Risk Pool is estimated at a 5% increase, this could end up only being 2%. The update will be the first to middle of November.
- This budget is showing an increase of a little over \$400,000 over the 2018 budget, that is a 5.25% increase. The proposed tax assessment is \$8,194,620 compared to \$7,785,934 which was the 2018 tax assessment. We haven't calculated any certain use of surplus to reduce the budget yet. Last year we did not use surplus.
- There are 5 reasons why the budget is up from last year:
 - 1) Wage increase – 2.9% COLA and 2.9% Step
 - 2) Health Insurance & Worker Comp - 10% increase – that percentage may decrease mid-November
 - 3) Bond Payment/Lease purchase payment on the HVAC project – Annual payment of \$169,959 which makes a 70% increase in the budget line over the previous year.
 - 4) Jail budget – Allocation of Community Corrections money has changed due to the State calculations, so we are receiving less money. This money used to be used to offset the contract with Maine Pre-Trial now we have to fund that.
 - 5) Place holder of 30K for Jail Diversion Program. – Sheriff, Chief Deputy and Jail Administrator can work over the next year to come up with a program they would like to be involved with.
- *Chair Duke wanted to encourage all Budget Committee Members read Administrator Hart's letter very carefully, as the letter contains a lot of important information, and may answer a lot of questions.*
- *Please note: All votes taken at each Joint Commission and Budget Committee Review Meetings on Departmental Budgets are "straw votes", with the exception of the December 6, 2018 final vote on the 2019 Knox County Budget.*

VI. Budget Review:

1. Registry of Deeds

- Register of Deeds Cottrell stated the incoming revenue has been better this year, Deeds is up \$37,000.
- In January most Attorneys and Title Companies did the transfer tax on line if they had more than 500 transactions, by doing this it makes more work for Deeds. The State receives 90% of the revenue and Deeds receives 10%.
- 23% of Deeds recordings are E-Recordings, which is something new. Revenues have not changed.
- Asking for some overtime due to two employees have an ongoing illness. This would mean a 5% increase. (This in part, is due to longevity and step increase which is creating an increase.)

*A consensus vote was taken by the Budget Committee on whether to approve the Administrator's budget recommendation of **(\$184,205)**:*

In favor: 8 (Bob Duke, Gayle Gallant, Lawrence Nash, Gerry Zwick, Shawn Levasseur, Nick Lapham, Roger Peabody, and Thomas Marshall, Jr.)

Against: 0

Abstained: 0

*A consensus vote was taken by the County Commission on whether to approve the Administrator's budget recommendation of **(\$184,205)**:*

In favor: 3 (Carol Maines, Richard Parent and Sharyn Pohlman)

Against: 0

Abstained: 0

2. Probate

- Need to purchase a Polycom/speaker phone for conference calls.
- Need to purchase a camera to take passport pictures.
- Need to purchase one chair. (Most equipment purchased from WB Mason or Staples) Price comparison is done before making any purchase.

A consensus vote was taken by the Budget Committee on whether to approve the Administrator's budget recommendation of \$132,406:

In favor: 6 (Lawrence Nash, Gerry Zwick, Roger Peabody, Nick Lapham, Thomas Marshall, Jr. and Gayle Gallant)

Against: 2 (Bob Duke and Shawn Levasseur)

Abstained: 0

A consensus vote was taken by the County Commission on whether to approve the Administrator's budget recommendation of \$132,406:

In favor: 3 (Carol Maines, Richard Parent and Sharyn Pohlman)

Against: 0

Abstained: 0

3. County Administration & IT

- Personnel Services has increased due to a proposed increase in wages as well as projected 10% budgeted increase in both health insurance and workers compensation. (Both are budgeted numbers which will be adjusted as continuing through the budget process, and once final numbers are received).
- Total budget is up 4% over last year. The biggest component of increase is the addition of the IT Technical Support Specialist which will be hired in April 2019. This will be a 40/hr. a week job, and benefits will be included.
- Step increase for all budgets is proposed a 2% Step increase, and a 2.9% COLA increase proposed for 2019.
- Contractual a lot of items stayed the same.
- Commodities are down about 9%. (\$500)
- Labor Relations has been kept at \$2,000.
- Computer Consultant was budgeted for six (6) months prior to hiring the new IT Technical Support Specialist - has decreased from \$10,000 to \$1,800. (We will need this service for six (6) months prior to hiring the new IT Specialist position).
- Legal was budgeted at \$30,000 and we are currently at \$44,000. This will be dependent on how many FOA requests we receive until the end of the year.
- Worker's Compensation line has increased. The compensation rebates will come directly to the Administration Office.
- Total budget has increased by \$20,140 (4.0%) over the 2018 budget.

A consensus vote was taken by the Budget Committee on whether to approve the Administrator's budget recommendation of \$552,047:

In favor: 6 (Gayle Gallant, Gerry Zwick, Shawn Levasseur, Nick Lapham, Roger Peabody, and Thomas Marshall, Jr.)

Against: 1 (Bob Duke)

Abstained: 0

A consensus vote was taken by the County Commission on whether to approve the Administrator's budget recommendation of \$552,047:

In favor: 3 (Carol Maines, Richard Parent and Sharyn Pohlman)
Against: 0
Abstained: 0

4. Debt Service

- Knox County is in the seventh (7th) year of the bond payment of principal and interest for the Knox County Public Safety Building at 301 Park Street, and some improvement for Communications tower. This is a fifteen (15) year note at 1.8669%. The Bond Principal amount remains at \$165,000/year. The interest is a fixed rate.

A consensus vote was taken by the Budget Committee on whether to approve the Administrator's budget recommendation of \$83,552:

In favor: 7 (Bob Duke, Gayle Gallant, Gerry Zwick, Shawn Levasseur, Nick Lapham, Roger Peabody, and Thomas Marshall, Jr.)
Against: 0
Abstained: 0

A consensus vote was taken by the County Commission on whether to approve the Administrator's budget recommendation of \$83,552:

In favor: 3 (Carol Maines, Richard Parent and Sharyn Pohlman)
Against: 0
Abstained: 0

5. Finance

- Personnel Services increased. This is due to proposed 10% increase in Wages, Healthcare and Worker's Compensation. (Health Insurance and Worker's Compensation are budgeted numbers and will be adjusted as the budget process progresses and final numbers are received).
- Commodities we need to buy one new computer.
- Audit has increased by \$2,000 due to implementation of new item GASB 75.
- Revenue we used to receive miscellaneous revenue from all of the grants the Sheriff's Office had, but the formula has been changed so we no longer get that complete revenue. However, the interest rates are going up so we can gain some on the interest.
- Computer Repairs & Maintenance is due to the cost of using the software/contract of MUNIS.

A consensus vote was taken by the Budget Committee on whether to approve the Administrator's budget recommendation of \$296,866:

In favor: 7 (Bob Duke, Gayle Gallant, Gerry Zwick, Shawn Levasseur, Nick Lapham, Roger Peabody, and Thomas Marshall, Jr.)
Against: 0
Abstained: 0

A consensus vote was taken by the County Commission on whether to approve the Administrator's budget recommendation of \$296,866:

In favor: 3 (Carol Maines, Richard Parent and Sharyn Pohlman)
Against: 0
Abstained: 0

VII. Adjourn

- *Chair Duke made a motion to adjourn the meeting. Nick Lapham seconded the motion. A vote was taken with all in favor.*
- *Commissioner Pohlman made a motion to adjourn the meeting. Commissioner Parent seconded the motion. A vote was taken with all in favor*

The next Joint Commission and Budget Committee Review Meeting will be held on **October 25th**
@ 5:00 P.M.

The meeting adjourned at 6:31P.M.

Respectfully submitted,

Wendy Galvin
Administrative Assistant

**The Knox County Budget Committee and Knox County Commission approved these minutes
at the Joint Budget Review Meeting held on October 25, 2018.**